

EXHIBIT K
TO DECLARATION OF MICHAEL N. EDELMAN
IN SUPPORT OF PLAINTIFF ADVANCEME, INC.'S
MOTION FOR SANCTIONS
AGAINST DEFENDANT FIRST FUNDS, LLC

IRELAND, CARROLL & KELLEY, P.C.

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August 9, 2007

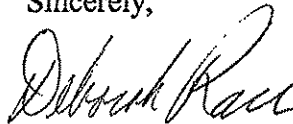
Mr. Douglas McSwane
Potter Firm
P. O. Box 359
Tyler, TX 75710

Re: Civil Action No. 6:06-CV-82; *AdvanceMe, Inc. vs. AmeriMerchant, LLC*

Dear Doug:

I just wanted to let you know that AdvanceMe has decided that it has no choice but to proceed with a motion for appropriate sanctions relating to First Funds' failure to produce the documents as previously ordered by the Court. AdvanceMe believes that to date, nothing your clients have done or indicate they will do would be sufficient to comply with the Court's order. For instance, one of the reasons why First Funds was compelled to produce the documents was so that AdvanceMe could receive all documents relevant to how the ACH flow works, but no further documents on that subject have been produced even though discovery closes in this case in two weeks. At this time, even if your client did finally comply with the Court's directive, it would be too late. For that reason, AdvanceMe has decided that it must file a motion seeking appropriate sanctions.

Sincerely,



Deborah Race

DR/jm